

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6943

BILL NUMBER: SB 223

NOTE PREPARED: Dec 30, 2005

BILL AMENDED:

SUBJECT: Worker's Compensation.

FIRST AUTHOR: Sen. Tallian

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill increases compensation for permanent partial impairment.

Effective Date: July 1, 2006.

Explanation of State Expenditures: The bill increases the award for disability based on the degree of impairment.

For Each Degree of Impairment from	Current	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
1-10	\$1,300	\$1,430	\$1,573	\$1,730	\$1,903	\$2,093
11-35	\$1,500	\$1,650	\$1,815	\$1,997	\$2,197	\$2,417
36-50	\$2,400	\$2,640	\$2,904	\$3,194	\$3,513	\$3,864
Over 50	\$3,000	\$3,300	\$3,630	\$3,993	\$4,392	\$4,831

It is difficult to determine the potential cost of these changes. An actuarial analysis of these changes will be performed by the National Council on Compensation Insurance (NCCI). [Note: The results of the actuarial analysis are not currently available. The note will be updated when NCCI finishes their analysis.]

According to the Indiana Compensation Rating Bureau, premiums increased by 2.2% for 2006, 3.2% for 2005, and decreased by 1.8% for 2004. Premiums for worker's compensation for 2005 were about \$759 M.

The impact on the state would be as a self-insured employer. The impact is probably minor. For FY 2005, the state paid about \$2.7 M in worker's compensation benefits, \$2.5 M in FY 2004, and \$2.4 M in FY 2003.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.